

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

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|-----------------------|-------------------------------------|------------|----------------------|
| ADMINISTRATIVE MATTER | <input type="checkbox"/> | DATE | <u>July 22, 2020</u> |
| MOTOR CARRIER MATTER | <input type="checkbox"/> | DOCKET NO. | <u>2020-146-C</u> |
| UTILITIES MATTER | <input checked="" type="checkbox"/> | ORDER NO. | <u>2020-493</u> |

THIS DIRECTIVE SHALL SERVE AS THE COMMISSION'S ORDER ON THIS ISSUE.

Order Approving the Transfer of Assets

SUBJECT:

DOCKET NO. 2020-146-C - Joint Application of Windstream KDL, LLC and Business Telecom, LLC, Sellers and Uniti Group, Finance, Incorporated and Uniti National LLC, Purchasers, for Approval of the Transfer of Assets - Staff Presents for Commission Consideration the Joint Application of Windstream KDL, LLC and Business Telecom, LLC, Sellers and Uniti Group, Finance, Incorporated and Uniti National LLC, Purchasers, for Approval of the Transfer of Assets.

COMMISSION ACTION:

Windstream KDL, LLC, Business Telecom, LLC, Uniti Group Finance Inc. and Uniti National LLC have requested approval to transfer certain fiber optic assets. The transaction is part of a larger Settlement Agreement between Windstream Holdings, Inc. and Uniti Group, Inc. In 2019, Windstream Holdings and its subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the Bankruptcy Code. In April 2020, the Windstream companies and Uniti Group Inc. and their relevant subsidiaries agreed to enter into a series of agreements intended to settle all disputes between Windstream and Uniti. One of the agreements was an Asset Purchase Agreement. The Settlement Agreement, including the Agreement and Transaction addressed in the Application before this Commission, was approved by the Bankruptcy Court on May 12, 2020. The Applicants advise that the transfer of assets does not include any assets owned or controlled by Windstream's incumbent local exchange carrier subsidiaries, and will have no effect on the nature, quality, quantity, or price offered in South Carolina by any Windstream subsidiary, including both its incumbent and competitive carrier operations. Uniti Group Finance will acquire certain fiber assets from Windstream's competitive local exchange carrier subsidiaries, including Windstream competitive local exchange carriers in South Carolina. Windstream will sell roughly 3,966 fiber route miles nationwide to Uniti Group Finance and, pursuant to a partial assignment of the agreement, to Uniti National. Uniti will grant to Windstream's subsidiaries an indefeasible right of use having an initial term of 20 years for those fiber assets that Windstream's subsidiaries use to provide services, along with additional fibers to provide Windstream's subsidiaries with that spare capacity. Windstream's subsidiaries will retain access to those fiber assets currently used in South Carolina to provide services to customers plus additional fibers to provide Windstream subsidiaries with spare capacity. The transaction will be transparent to Windstream's customers.

It is important to note that the consummation of the transaction is necessary for the debtors to exit Chapter 11 bankruptcy protection.

I therefore move that the Commission approve the transaction and transfer of assets

described in the application.

PRESIDING: Randall

SESSION: Regular

TIME: 10:30 a.m.

| | MOTION | YES | NO | OTHER |
|-----------|-------------------------------------|-------------------------------------|--------------------------|---------------|
| BELSER | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| ERVIN | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| HAMILTON | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| HOWARD | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| RANDALL | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| WHITFIELD | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| WILLIAMS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <u>Absent</u> |

voting via videoconference

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Military Leave

(SEAL)

RECORDED BY: J. Schmieding

